

177-1518

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NOAH M. HICKS II**
M. McMULLEN TAYLOR

AREA CODE 803
TELEPHONE 252-3300
TELECOPIER 256-8062

January 20, 2006

*ALSO ADMITTED IN TX
**ALSO ADMITTED IN VA

VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk / Administrator
Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210-8411

RE: Application of Carolina Water Service, Inc. for an adjustment of rates
for water and sewer services and modification of certain terms and
conditions of its rate schedule; Docket No. 2004-357-W/S

Dear Mr. Terreni:

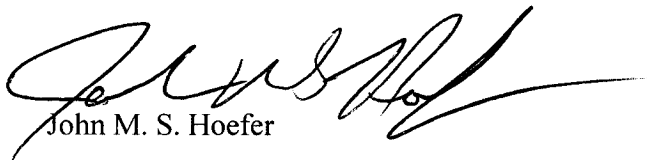
Enclosed for filing please find the original and ten (10) copies of the surety bond approved by the Commission in its Order No. 2005-465 in the above-referenced docket. This bond is being submitted pursuant to S.C. Code Ann. § 58-5-240(D) and the full amount of the rates approved to be placed into effect under bond will be billed to the utility's customers in the next billing.

I would appreciate your acknowledging receipt of this document by date-stamping the extra copy that is enclosed and returning it to me via our courier. By copy of this letter, I am serving counsel of record with a copy of the bond and enclose my certificate to that effect.

If you have any questions, or need additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.


John M. S. Hoefer

JMSH/twb

Enclosure

cc: Florence P. Belser Esquire
Charles H. Cook, Esquire
Julie F. McIntyre, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S

IN RE:

Application of Carolina Water Service,
Inc. for adjustment of rates and charges
and modification of certain terms and
conditions for the provision of water and
sewer service.


CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the **Surety Bond** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

C. Lessie Hammonds, Esquire
Florence P. Belser, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

Julie F. McIntyre, Esquire
DHEC
2600 Bull Street
Columbia, South Carolina 29201

Charles Cook, Esquire
Elliott & Elliott, PA
721 Olive Street
Columbia, South Carolina 29205



Tracy W. Barnes

Columbia, South Carolina
This 20th day of January, 2006.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-357-WS

IN RE:)
)
Application of Carolina Water Service,)
Inc. for adjustment of rates and)
charges and modification of certain terms)
and conditions for the provision of water)
and sewer service.)

)

BOND 

KNOW ALL PEOPLE BY THESE PRESENTS, that Carolina Water Service, Inc. as principal and Travelers Casualty and Surety Company of America , a corporation under the laws of the State of Connecticut , duly authorized to transact business in the State of South Carolina as surety, are held and firmly bound unto the customers of Carolina Water Service, Inc. affected by Order No. 2005-328 of the Public Service Commission, dated June 22, 2004, and any Order denying reconsideration thereof, issued in the above-captioned proceeding, for the sum of three hundred twenty six thousand eight hundred eight and No/100s Dollars (\$326,808.00) in lawful money of the United States of America, for payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Commission Orders under appeal are ultimately determined to be valid and enforceable, then,

EXHIBIT "A"

Carolina Water Service, Inc. hereby promises to refund amounts it has collected in excess of the amounts

finally determined to be correct under the appropriate rate schedules. Any such refunds shall include interest as provided by law.

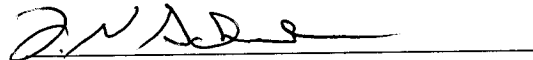
SIGNED, sealed and dated this 13th day of January, 2006.

As to Principal

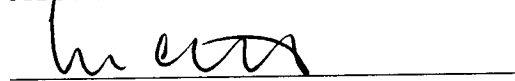
Carolina Water Service, Inc.


Witness


Witness

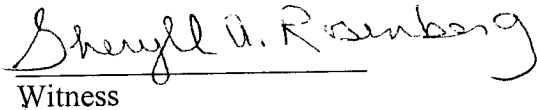



ATTEST:

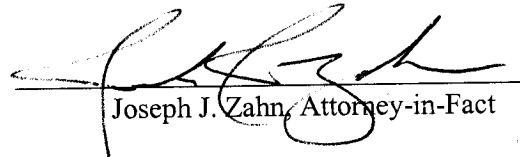


As to Surety

Travelers Casualty and Surety Company of America


Witness


Witness


Joseph J. Zahn, Attorney-in-Fact

WITNESS AS TO PRINCIPAL

STATE OF Illinois

Cook County.

Before me, the subscribing Notary Public, personally appeared Laurence N. Schumacher and made oath that he/she saw the within named Carolina Water Service, Inc. Company represented by sign, seal, and deliver the within Bond, and that he/she with Steven Lubertozzi & Holly Roth Subscribed their names as witness thereto.

Sworn to and subscribed before
me this 13th day of January, 2006.

Joy Rosen (L.S.)
Notary Public



WITNESS AS TO SURETY

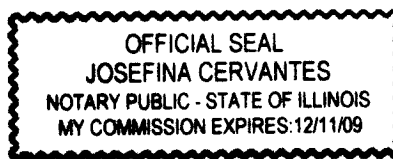
STATE OF Illinois

Cook County.

Before me, the subscribing Notary Public, personally appeared Joseph J. Zahn, Attorney-in-Fact and made oath that he/she saw the within named Travelers Casualty and Surety Company of America Company represented by sign, seal, and deliver the within Bond, and that he/she with Sheryll A. Rosenberg & Judith A. McGoogan Subscribed their names as witness thereto.

Sworn to and subscribed before
me this 13th day of January, 2006.

Josefina Cervantes (L.S.)
Notary Public
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**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **Jacquelyn M. Norstrom, Margaret M. Aldape, Mary W. Mahoney, Judith A. McGoogan, Sharon L. Size, John P. Harney, Joseph J. Zahn, Sheryll A. Rosenberg, Josefina Cervantes,** of Chicago / Oakbrook Terrace, Illinois, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 25th day of April, 2005.

STATE OF CONNECTICUT

}SS. Hartford

COUNTY OF HARTFORD

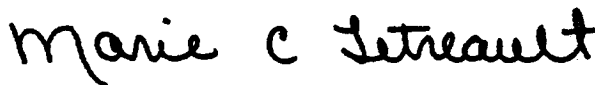
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY



By 
George W. Thompson
Senior Vice President

On this 25th day of April, 2005 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.





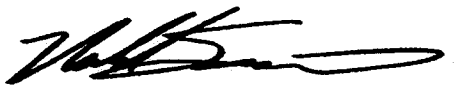
My commission expires June 30, 2006 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 13th day of January, 2006



By 
Nicholas Seminara
Senior Vice President